

NOTICE OF PROPOSED REPORTING OF THE DEFAULT STATUS OF YOUR DEBT TO CREDIT REPORTING AGENCIES AND TREASURY OFFSET AGAINST ALL PAYMENT STREAMS CURRENTLY AUTHORIZED BY LAW OR ANY PAYMENT STREAMS THAT ARE AUTHORIZED IN THE FUTURE

Your Student Loan or Grant Overpayment Debt

The U.S. Department of Education (Department) holds one or more past due, legally enforceable, defaulted student loan or grant overpayment debts for which you are responsible. The Debt Statement accompanying this notice describes the debt in detail. The Department will report the default status of your debt to credit reporting agencies and refer your debt to the U.S. Department of the Treasury (Treasury) for offset unless you do one of the following:

- Pay this debt in full
- Establish an approved repayment agreement
- Make a timely, valid objection to enforcement of the debt

The Department will request that Treasury deduct the amount of this debt, plus a servicing fee and accrued interest, from any payment streams currently authorized by law or that are authorized in the future. These payment streams may be payments to which you are entitled to receive either now or in the future and include, but are not limited to:

- Federal and State income tax refunds
- Social Security benefits
- Federal travel reimbursements

Treasury will continue to offset until this debt is paid in full.

Important: This notice explains how to avoid reporting of the default status of your debt to credit reporting agencies and offset against current and future Federal and State tax refunds and other payments. Neither the Department nor Treasury will provide an additional notice and opportunity to review records or to object to collection of this debt before reporting to credit reporting agencies or referring to Treasury for offset. The Department may have already reported the default status or referred for offset some or all of the debts listed on the Debt Statement, as explained in prior notices. To avoid credit reporting or offset by entering into an approved repayment agreement, you must do so by the deadline established in this notice.

How to Repay the Debt in Full

To pay the debt in full, you must send a check or money order for the total balance due shown on the Debt Statement, along with the top portion of the Debt Statement, to:

Department of Education
National Payment Center
P.O. Box 790336
St. Louis, MO 63179-0336

Your Rights

You have the right to:

- Review documents regarding the debt described in the Debt Statement
- Object to the amount or existence of this debt
- Have the Department review your objections
- Enter into a repayment agreement satisfactory to the Department in order to avoid reporting of the default status of the debt to credit reporting agencies or collection of the debt through Treasury offset
- Have a lawyer represent you in exercising these rights

How to Exercise Your Rights

You must exercise these rights in accordance with Department rules:

To Request Documents

To receive documents regarding the debt, you must make a written request to:

U.S. Department of Education
Default Resolution Group
P.O. Box 5227
Greenville, TX 75403-5227

You can use the enclosed Request for Documents form to request documents regarding the debt that may be available. Your written request must include your Social Security Number. You must identify the debts for which you want records and include a reasonable description of the records you want to receive. Documents available may include:

- A promissory note evidencing a loan
- A loan application
- Records of payments made
- A document used by the lender to file a claim on a loan guarantee or to assign a debt to the government
- Correspondence between you and the school or loan holder (including the Department) regarding a debt

Not all of these documents are available in every case.

Objections You May Raise to Reporting or Collection of the Debt.

You can object to reporting of the default status of your debt to credit reporting agencies and Treasury offset on several grounds. The Department will not report the default status of your debt to credit reporting agencies or collect the debt by Treasury offset to the extent that:

- The debt is not past due at this time because you have already repaid the debt, or you have made the required payments under a repayment agreement you reached with the debt holder
- The debt is not legally enforceable against you at this time because, for example, you have filed bankruptcy and your case is still pending; the debt was discharged in a past bankruptcy; or the debt was canceled for the death or disability of the borrower or canceled for qualifying military, teaching, volunteer, or public service
- The school owed you a refund for the period for which the loan was made, but did not pay the refund, or paid only part of the refund

- The school you attended closed during the period for which the loan was made, or you did not have a high school diploma or GED and the school improperly determined that you could benefit from its training, or your eligibility to borrow was falsely certified because you were a victim of the crime of identity theft
- You have a defense to repayment of the debt (also known as a borrower defense) because the school you attended engaged in acts or omissions that would give rise to a cause of action against the school under applicable State law and the cause of action directly relates to the loan or to the school's provision of educational services for which the loan was provided

[See the enclosed Request for Review form for additional information on objections you may raise.]

To Object in Writing to Reporting or Collection of the Debt

To have the Department review your objections to the collection of the debt, you must make a written request for review within 65 days of the date of the Debt Statement to:

U.S. Department of Education
Default Resolution Group
P.O. Box 5227
Greenville, TX 75403-5227

You can use the enclosed Request for Review form to state your objections. If you request documents from the address shown above within 20 days of the date of the Debt Statement, you will have 15 days after the date the documents are mailed to request a review, even if that would take your request outside the 65 day period. You must include in your request your name, your Social Security Number, the debts about which you raise objections, a statement of the objections you have to reporting of the default status of the debt to credit reporting agencies or collection of the debts through Treasury offset, and copies of any documents you want to be considered to support your objections.

To Request an In-Person or Telephone Hearing

If you want to present your objections in person or in a telephone hearing, complete the enclosed Request for Review form. If you do not use the enclosed Request for Review form, you must explain in a written request for review the facts that you want to present orally that would show that the debt is not enforceable and why you believe that the Department cannot adequately consider your objections by reviewing the Department's records of the debt and any other records, including any written statement that you provide. If the Department decides to grant an in-person or telephone hearing, you will be contacted to schedule the time and place. If the Department concludes that an in-person or telephone hearing is not necessary, the Department will issue a decision based on the written record.

To Enter Into a Repayment Agreement

If you want to enter into a repayment agreement, you must call the Department's Default Resolution Group at 1-800-621-3115 (TTY: 1-877-825-9923). To avoid reporting of the default status of your debt to credit reporting agencies or Treasury offset, you must agree to pay the debt under terms accepted by the Department, and must actually make the first payment under the agreement within 65 days of the date of the Debt Statement and continue to make timely payments. If you request documents from the address shown above within 20 days of the date of the Debt Statement, you will have 15 days from the date the documents are mailed to you to establish a repayment agreement and make the first payment. If you object to the debt within the deadlines explained in this Notice and your objection is denied, you will have 7 days from the date the decision is mailed to you to establish a repayment agreement and make the first payment.

If you enter into a repayment agreement after the deadline, reporting of the default status of your debt and certification of the debt for Treasury offset will continue, subject to the terms of the repayment agreement.

Your Rights if Your Objections are Denied and Your Debt is Reported to Credit Reporting Agencies or Treasury Offsets Your Payments

If you present objections to reporting of the default status of your debt to credit reporting agencies or Treasury offset, the Department will send you a written decision explaining whether the Department will report the default status of the debt to credit reporting agencies and refer the debt to Treasury for offset, the reasons why, and the amount to be collected. If you disagree with this decision and your Federal or State tax refund or other payment is offset, you may have this decision reviewed by bringing a lawsuit in Federal district court.

If You Miss a Deadline for Exercising Your Rights

You may obtain documents, a review or hearing, or enter into a repayment agreement even if you miss the deadlines in this Notice. However, if the Department has already reported the default status of your debt to credit reporting agencies or requested that Treasury offset your Federal and State tax refunds and other payments, the Department will not stop the reporting or withdraw the request until you prove that the debt is not legally enforceable or not past-due. Therefore, your debt may be reported to credit reporting agencies and your Federal and State tax refunds and other payments may be offset if you request a review or establish a repayment agreement after the deadlines. If you later prove that the debt was not enforceable by offset, the Department will return the amount collected that exceeded the proper amount.

Taxpayers Who File Joint Tax Returns

If you file a joint Federal income tax return, you should obtain IRS Form 8379, Injured Spouse Claim and Allocation, before filing your return. The instructions on the form explain the steps your spouse may take to obtain his or her share of your joint income tax refund. Borrowers filing joint State tax returns should check with their State Department of Taxation to determine if similar relief is available for State tax refunds.

Federal Employees

In addition to offset against Federal and State tax refunds and other payments, this debt may be collected by offset of up to 15% of your current disposable pay. The Department must give specific notice and appeal opportunity, other than this Notice, to a Federal employee before requesting another Federal agency to offset pay to satisfy a debt. If the Department identifies you as a Federal employee the Department will provide the required notice and appeal procedure before the Department refers your debt for salary offset.